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June 15, 1953

and ... when he set up ... arrangements for his temporary assignment to ...

The Secretary wants a basic study made of U.S. relations in Latin America. What he has in mind are the following:

1. In wartime, the U.S. depends heavily on Latin America, especially for raw materials, and our trade in these periods produces prosperous economic conditions. When peace comes, the countries of Latin America frequently suffer an economic relapse. Currently, loans for capital development are being cut back, and the International Bank is not filling the gap. Moreover, our commercial policies tend to injure those countries with regard to wool, oil, tin, lead, zinc, etc.
2. We should make a careful analysis of U.S. interests in Latin America from the points of view--
 - a. Of military strategy and defense;
 - b. As a source of raw materials; and
 - c. As a political matter.

Such a study should try to evaluate the U.S. interest in different areas and countries to determine their importance to us in these and other respects, and the reasons for and the extent of their importance.

3. Such a study could serve various purposes:
 - a. The Milton Eisenhower mission will take off soon for visits to most of these countries. The basic analysis of our interest in this area would lay a good foundation for evaluating the reports from that trip;

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DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY W. H. H. H. H. DATE 11/16/53

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5. Our present policy rests primarily on Europe. Experience with Italy, France and the possible uncertainties in Germany and Britain are such that this policy involves many risks. We shall, of course, continue to pursue and seek to overcome these risks. However, at the same time we should examine what possibilities Latin America would offer if political and economic release in Europe should undermine our policy there.
4. Ultimately the study should take full account of the views of the military authorities (such as the JCS and the SEC) as well as the State Department. In addition, assistance and views should be obtained from others interested from a financial or resource point of view, such as Treasury, International Bank, Commerce, and Interior.

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